

## For the greater common good

### *Addressing Infrastructural Inadequacies in India for Improved Regional Connectivity*

*Availability of infrastructure – both hard and soft – is an essential prerequisite for the successful implementation of connectivity initiatives, such as Bangladesh, Bhutan, India and Nepal Motor Vehicles Agreement (BBIN MVA). The field survey of CUTS International has identified key infrastructural obstacles in Indian context that are hindering the flow of goods in and among the BBIN nations. This Policy Brief highlights possible remedies to these infrastructural impediments which will help to create an enabling environment for the successful implementation of the BBIN MVA.*

### **Introduction**

The success of any effort at regional integration depends on the availability of necessary hard and soft infrastructure. Keeping this in mind, it is necessary to examine infrastructural facilities available in BBIN because without a minimum infrastructural base it may be difficult to successfully implement the MVA. Though, this agreement was signed in June 2015 by all the member countries, it is yet to be implemented because of apprehensions on part of Bhutan. Under the circumstances, India is keen to work on the implementation of the connectivity drive by enlisting the cooperation of Nepal and Bangladesh.

The corridors are the veins of this agreement through which the unobstructed movement of vehicles (cargo and passengers) will take place.

Better connectivity among the BBIN countries will boost trade between and among them and lead to prosperity and improved living standards of the people of the region.

CUTS, in its study, has selected eight corridors that connect the BBIN countries with each other with the objective of understanding the problems that lie on path of effective implementation of the BBIN MVA. This Policy Brief highlights elements of hard infrastructure which need to be addressed to create an enabling environment for the MVA to take off.

The important indicators of hard infrastructure that have been considered include the quality of corridor roads, warehousing, parking, and other required facilities near the border, and minimum

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infrastructure at Land Customs Stations (LCSs) to expedite the process of clearing and inspecting of cargo. The state of these indicators provide inputs regarding the minimum infrastructure requirements that can help to reduce the time and cost involved in trade activities among these countries.

The present study has selected eight corridors in total and India is present in these all. In all these corridors, India shares 11 LCSs with Bangladesh, Bhutan, Nepal and Myanmar. These are: Panitanki, Fulbari, Jaigaon, Changrabandha, Sonauli, Raxaul, Dadgiri/Hatisar, Daranga, Dawki, Petrapole and Agartala.

## **Current State of Infrastructure: Facts from the Ground**

### ***Quality of approach roads***

The approach roads connect national highways or other roads to LCSs. If approach roads are wider and of good quality these will help to ease the

movement of vehicles carrying goods and passengers. In many of the selected LCSs, the narrow and poor quality of approach roads is a major concern. These LCSs include: Jaigaon, Sonauli and Dadgiri/Hatisar.

### ***Availability of testing laboratories***

The presence of testing laboratories near LCSs helps to reduce time required for clearance of cargo. At Fulbari, there are no plant and animal quarantine facilities. There is a Plant Quarantine (PQ) office at Panitanki but owing to its low capacity, samples are sent either to Siliguri or Kolkata.

Since a lot of fruit juice and fruit drinks enter India through Panitanki, it is imperative that a food testing laboratory should be established at this LCS. That will save two to three days that are otherwise consumed in sending samples to Kolkata and getting the clearance certificate. There are also no testing laboratories near Jaigaon, Changrabandha, Dadgiri/Hatisar, Daranga and Dawki.

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### ***Dearth of warehouses, cold stores, restrooms and parking areas***

No warehouses, cold stores, restrooms and parking areas have been found in the LCSs except Fulbari, Raxaul Inland Container Port (ICP), Petrapole and Agartala ICPs. These stations also have some inadequacies. The Fulbari warehouse and truck parking facility can accommodate up to 150 trucks at a time.

Similarly, Raxaul LCS also lacks these facilities, which causes delay. The Raxaul ICP is equipped with facilities such as scanners, cargo inspection sheds, restrooms, and quarantine laboratory but these remain underutilised because the Nepal side of the ICP is incomplete.

At Petrapole ICP, there are several warehouses but they do not have any shutter system. These open warehouses are unsuitable for storing goods that get damaged, when exposed to moisture. On the Petrapole side owing to inadequate parking space, many private parking places have emerged which,

however, charge excessively. Some truck drivers have complained that there are no food stalls at the Agartala ICP.

### ***Intermittent internet and power supply***

Poor internet connectivity and intermittent power supply at land ports affect the proper functioning of Electronic Data Interchange (EDI) system and creates hindrances for custom officials as well as for other agencies operating at the border points. Since LCSs are located in remote areas, there is seldom uninterrupted supply of electricity and internet. Among the selected LCSs, Panitanki, Fulbari, Jaigaon, Sonauli and Daranga are the ones who suffer from these problems.

### **Policy Recommendations**

The implementation of the MVA is facing challenges due to a number of socio-economic, political, geographical and environmental inadequacies which vary across countries of the region. There are specific policy suggestions that



can smooth the process of MVA implementation. These are:

- To minimise delay in cargo movement, the creation of ICPs with all infrastructural facilities available at a single place could be useful. Though establishment of such ICPs have been announced near the Jaigaon and Sonauli LCSs, the work has not progressed.
- Another single point solution where all customs checking can be done is the usage of Inland Container Depots (ICDs). The field survey along the corridors revealed that since ICDs are not present in most of the corridors, it

is important that strategic locations be identified for setting up the same.

The MVA will provide greater market access to all the member nations. Simultaneously, it will also provide India an opportunity to flourish within Asia and compete with similar initiatives of China in the region. Reforms in all areas are necessary to facilitate trade among these countries. An integrated and well-coordinated network across countries in this region will act as a catalyst for developing cross-border value chains and connecting these countries with international markets.

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With the support of:



This Policy Brief has been published under the project entitled, 'Bangladesh-Bhutan-India-Nepal Motor Vehicles Agreement: Facilitating implementation and stakeholder buy-in in the BBIN sub-region' implemented by CUTS International with the support of U.S. State Department. This project is being implemented in partnership with Unnayan Shamannay, Bangladesh; Bhutan Media & Communications Institute; and Nepal Economic Forum.